

## Zero Coupon Bond Investments

Most investments in treasury securities are reflected at par value with a separate line for unrealized discount on the FMS 2108 as prescribed in the Treasury Financial Manual (TFM) volume 1, part 2, chapter 4200, appendix 1. The exception is investment in treasury zero coupon bonds which are reported at par and adjusted to market value on the FMS 2108. The market value adjustment is necessary to meet the Department of Treasury policy for scoring zero coupon bond investments against the debt subject to limit, the statutory ceiling of the amount of U.S. debt outstanding. It was agreed that the market value basis was preferable to the par value basis for scoring zero coupon bonds against the debt subject to limit because scoring these securities at par would adversely affect the debt subject to limit.

Each month the Department of Treasury provides the market value adjustment to the agencies. The agencies are to report the adjustment on their SF 224 Statement of Transactions. If the market value increases, the agency reports the following on the SF 224:

<u>Column 1 - TAFS</u>	<u>Column 2- Receipts</u>
(72) 89X5227	1,000 Credit
89X5227.2	1,000

If the market value decreases, the agency reports the following on the SF 224:

<u>Column 1 - TAFS</u>	<u>Column 2- Receipts</u>
(72) 89X5227	1,000
89X5227.2	1,000 Credit

The subclass (72) represents discount on treasury zero coupon bonds. Subclass (72) activity corresponds to .931 on the FMS 2108. The point .2 account is a receipt account for earnings on investments.

On the FMS 2108, the par value of the zero is reflected as investments in Treasury securities as 971 activity. The discount and the market value adjustments are reflected as unamortized discount designated as .931 activity.

## Zero Coupon Bond Investments

This scenario uses the June 2006 TFM (TFM release S2-06-02 Part 1 (P&F only) and Part 2).

The following USSGL accounts are used in this scenario:

Account Number	Account Name
<u>Budgetary</u>	
4114	Appropriated Trust or Special Fund Receipts
4201	Total Actual Resources – Collected
4267	Other Actual “governmental-type” Collections From Non-Federal Sources
<b>4290</b>	<b>Amortization and Market Adjustment – Investments in Zero Coupon Bonds</b>
4394	Receipts Not available for Obligation Upon Collection
4398	Offsetting Collections Temporarily Precluded From Obligation
4450	Unapportioned Authority
<u>Proprietary</u>	
1010	Fund Balance With Treasury
1610	Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt
1611	Discount on U.S. Treasury Securities Issued by the Bureau of the Public Debt
1613	Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt
1630	Investments in U.S. Treasury Zero Coupon Bonds Issued by the Bureau of the Public Debt
1631	Discount on U.S. Treasury Zero Coupon Bonds Issued by the Bureau of the Public Debt
1633	Amortization of Discount U.S. Zero Coupon Bonds Issued by Public Debt
1638	Market Adjustment – Investments in U.S. Treasury Zero Coupon Bonds
1639	Contra market Adjustment – Investments in U.S. Treasury Zero Coupon Bonds
3310	Cumulative Results of Operations
5311	Interest Revenue – Investments
5900	Other Revenue

## Zero Coupon Bond Investments

### Definitions:

Proposed new account and definition:

**Account Title:** Amortization and Market Adjustment – Investments in Zero Coupon Bonds

**Account Number:** 4290

**Normal Balance:** Debit

**Definition:** The amount of amortized discount, unrealized gains and losses (for market adjustments), and realized gains and losses in Treasury Appropriations Fund Symbols that invest offsetting collections in Zero Coupon Bonds.

**Zero Coupon Bond Investments**  
**Part One - Special and Non-Revolving Trust Funds**

## Zero Coupon Bond Investments

### Part One – Special and Non-Revolving Trust Fund

The following scenario reflects investment activity for a special or non-revolving trust fund. The fund collects receipts that are available for investment but not obligation. If funds are available for obligation, use the appropriate SGL account in place of SGL 4394.

<div>Trial balance <i>prior</i> to investment.</div> <div>Revenue is classified as exchange <b>Note:</b> This is not a beginning trial balance or an ending trial balance. It lists the balances prior to the investment.</div>	<div><div><div><div><div><u>Budgetary</u></div><div>4114 Appropriated Trust or Special Fund Receipts</div></div><div><div>60,000,000</div><div></div></div></div><div><div>4394 Receipts Not Available for Obligation Upon Collection</div><div></div><div>60,000,000</div></div></div><div><div><div><div><u>Proprietary</u></div><div>1010 Fund Balance with Treasury</div></div><div><div>60,000,000</div><div></div></div></div><div><div>5900 Other Revenue</div><div></div><div>60,000,000</div></div></div></div>
<div>1. Invests in a Treasury zero coupon bond (non-marketable, market based). The par value is \$200,000,000 and the discount is \$180,000,000.</div> <div>TC B128</div>	<div><div><div><div><div><u>Budgetary</u></div><div>None</div></div><div><div></div><div></div></div></div><div><div><div><div><u>Proprietary</u></div><div>1630 Investments in U.S. Treasury Zero Coupon Bonds Issued by the Bureau of the Public Debt</div></div><div><div>200,000,000</div><div></div></div></div><div><div>1010 Fund Balance with Treasury</div><div></div><div>20,000,000</div></div><div><div>1631 Discount on U.S. Treasury Zero Coupon Bonds Issued by the Bureau of the Public Debt</div><div></div><div>180,000,000</div></div></div></div></div>

# **Zero Coupon Bond Investments** **Part One - Special and Non-Revolving Trust Funds**

<p>2. A Treasury note (non-marketable, market based) is purchased. The par value is \$9,000,000 and the discount is \$1,500,000.</p> <p>TC B128</p>	<p><u>Budgetary</u> None</p> <p><u>Proprietary</u>  1610 Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt 9,000,000  1010 Fund Balance with Treasury 7,500,000  1611 Discount on U.S. Treasury Securities Issued by the Bureau of the Public Debt 1,500,000</p>
<p>3. The discount on the zero coupon bond is amortized. SFFAS No. 1 requires agencies to use the interest method (paragraph 71). Amortization occurs monthly but for illustrative purpose it is recorded in one transaction.</p> <p>TC E11X</p>	<p><u>Budgetary</u>  4114 Appropriated Trust or Special Fund Receipts 9,000,000  4394 Receipts Unavailable for Obligation Upon Collection 9,000,000</p> <p><u>Proprietary</u>  1633 Amortization of Discount U.S. Zero Coupon Bonds Issued by Public Debt 9,000,000  5311 Interest Revenue – Investments 9,000,000</p>
<p>4. The Treasury zero coupon bond is adjusted to \$25,000,000, the current market value based on information provided monthly from the Department of Treasury.</p> <p>TC F140</p> <p><b>Note:</b></p>	<p><u>Budgetary</u>  4114 Appropriated Trust or Special Fund Receipts 5,000,000  4394 Receipts Unavailable for Obligation Upon Collection 5,000,000</p> <p><u>Proprietary</u>  1638 Market Adjustment – Investments in U.S. Treasury Zero Coupon Bonds 5,000,000  1639<sup>1</sup> Contra Market Adjustment - Investments in U.S. Treasury Zero Coupon Bonds 5,000,000</p>

<sup>1</sup> If the zero coupon bond is reported at market value on the balance sheet, SGL account 7180 Unrealized Gains – Investments may be used in place of SGL 1639 in transaction #3. If the market value decreases, use SGL 7280 Unrealized Losses – Investments.

**Zero Coupon Bond Investments**  
**Part One - Special and Non-Revolving Trust Funds**

5. At year end the discount on the note is amortized. SFFAS No. 1 requires agencies to use the interest method (paragraph 71).	<u>Budgetary</u> None
TC E117	<u>Proprietary</u> 1613 Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt 150,000 5311 Interest Revenue - Investments 150,000

**Zero Coupon Bond Investments**  
**Part One - Special and Non-Revolving Trust Funds**

Pre closing adjusted trial balance	<u>Budgetary</u>		
	4114 Appropriated Trust or Special Fund Receipts	\$74,000,000	
	4398 Offsetting Collections Temporarily Precluded From Obligation		\$74,000,000
		\$74,000,000	\$74,000,000
	<u>Proprietary</u>		
	1010 Fund Balance with Treasury	\$ 32,500,000	
	1610 Investments in U.S. Treasury Securities		
	Issued by the Bureau of the Public Debt	\$ 9,000,000	
	1611 Discount in U.S. Treasury Securities		
	Issued by the Bureau of the Public Debt		\$ 1,500,000
	1613 Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt	\$ 150,000	
	1630 Investments in U.S. Treasury Zero Coupon Bonds		
	Issued by the Bureau of the Public Debt	\$ 200,000,000	
	1631 Discount in U.S. Treasury Zero Coupon Bonds		
	Issued by the Bureau of the Public Debt		\$180,000,000
	1633 Amortization of Discount on U.S. Zero Coupon Bonds Issued by Public Debt	\$ 9,000,000	
	1638 Market Adjustment - Investments in Zero Coupon Bonds	\$ 5,000,000	
	1639 Contra Market Adjustment - Investments in Zero Coupon Bonds		\$ 5,000,000
	5311 Interest Revenue - Investments		\$ 9,150,000
	5900 Other Revenue		\$ 60,000,000
		\$255,650,000	\$255,650,000
6. To record the consolidation of actual net-funded resources.	<u>Budgetary</u>		
	4201 Total Actual Resources Collected	74,000,000	
TC F302	4114 Appropriated Trust or Special Fund Receipts		74,000,000

**Zero Coupon Bond Investments**  
**Part One - Special and Non-Revolving Trust Funds**

7. To record the closing of revenue to cumulative results of operations.	<u>Proprietary</u>		
	5311 Interest Revenue - Investments	9,150,000	
	5900 Other Revenue	60,000,000	
TC F336	3310 Cumulative Results of Operations		69,150,000
Post closing trial balance	<u>Budgetary</u>		
	4201 Total Actual Resources Collected	\$74,000,000	
	4394 Receipts Not Available for Obligation Upon Collection		<u>\$74,000,000</u>
		<u>\$74,000,000</u>	<u>\$74,000,000</u>
	<u>Proprietary</u>		
	1010 Fund Balance with Treasury	\$ 32,500,000	
	1610 Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	\$ 9,000,000	
	1611 Discount in U.S. Treasury Securities Issued by the Bureau of the Public Debt		\$ 1,500,000
	1613 Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt	\$ 150,000	
	1630 Investments in U.S. Treasury Zero Coupon Bonds Issued by the Bureau of the Public Debt	\$ 200,000,000	
	1631 Discount in U.S. Treasury Zero Coupon Bonds Issued by the Bureau of the Public Debt		\$180,000,000
	1633 Amortization of Discount on U.S. Zero Coupon Bonds Issued by Public Debt	\$ 9,000,000	
	1638 Market Adjustment - Investments in Zero Coupon Bonds	\$ 5,000,000	
	1639 Contra Market Adjustment - Investments in Zero Coupon Bonds		\$ 5,000,000
	3310 Cumulative Results of Operations	<u>.</u>	<u>\$ 69,150,000</u>
		<u>\$255,650,000</u>	<u>\$255,650,000</u>



**Zero Coupon Bond Investments**  
**Part One - Special and Non-Revolving Trust Funds**

**SF133 Report on Budget Execution and Budgetary Resources**

**BUDGETARY RESOURCES**

3. Budget authority:

A. Appropriation:

1. Actual (4114E, 4394E)

7. Total budgetary resources

0

0

**STATUS OF BUDGETARY RESOURCES**

11. Total status of budgetary resources

0

**FMS 2108 Yearend Closing Statement Unexpended Balances Investments, and Imprest Funds**

Column 1. Treasury Appropriation Fund Symbol	89X5227	89X5227.971	89X5227.911	89X5227.931
Column 2. Preclosing Unexpended Balance - Treasury Supplied	32,500,000	209,000,000		
Column 5. Postclosing Unexpended Balance	32,500,000			
Column 6. For Treasury Appropriation Fund Symbols With Investments in Treasury Securities (1610E, 1630E)		209,000,000		
Column 6. For Treasury Appropriation Fund Symbols With Unrealized Discounts (1611E)			(1,500,000)	
<b>Column 6. For Treasury Appropriation Fund Symbols With Unamortized Discounts or Premiums (1631E, 1633E, 1638E)</b>				<b>(166,000,000)</b>
Column 11. Unobligated Balance (4394E)	74,000,000			

**Zero Coupon Bond Investments**  
**Part One - Special and Non-Revolving Trust Funds**

**Budget Program and Financing (P&F) Schedule**

**NEW BUDGET AUTHORITY (GROSS), DETAIL**

4020 Appropriation (special fund) (+) (4114E, 4394E)	0
7000 Total new budget authority (gross) (-)(4000...6990 and 2200)	0

**NET BUDGET AUTHORITY AND OUTLAYS**

8900 Budget authority (net) (+) (sum 2200 - (8800..8845), 8895, 8896)	
9000 Outlays (net) (+) (sum (8690..8698) - (8840..8845))	

**MEMORANDUM (NON-ADD) ENTRIES**

9202 Total investments, end of year: Federal securities: Par value (+) (1610E1630E)	209,000,000
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**Balance Sheet**

**Assets**

Intragovernmental:

1. Fund balance with Treasury (1010E)	32,500,000
2. Investments (1610E, 1611E, 1613E, 1630E, 1631E, 1633E, 1638E, 1639E)	36,650,000
6. Total Intragovernmental	69,150,000
15. Total assets	69,150,000

**Net position:**

32. Cumulative results of operations - other funds	69,150,000
33. Total net position	69,150,000
34. Total liabilities and net position	69,150,000

# **Zero Coupon Bond Investments** **Part One - Special and Non-Revolving Trust Funds**

## **Net Cost**

Program Costs:

Program A:

2. Less: Earned Revenue (5311E, 5900E)	(69,150,000)
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6. Net Cost of Operations	(69,150,000)
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## **Change in Net Position**

	<b>Earmarked Funds</b>	<b>All Other Funds</b>
Cumulative Results Of Operations:		
Budgetary Financing Sources:		
6. Nonexchange Revenue (5311E, 5900E)		0
14. Total Financing Sources		0
15. Net Cost of Operations (+/-)		(69,150,000)
16. Net Change		(69,150,000)
17. Cumulative Results of Operations		(69,150,000)
27. Net Position		(69,150,000)

**Zero Coupon Bond Investments**  
**Part One - Special and Non-Revolving Trust Funds**

**Statement of Financing**

*Resources Used to Finance Activities:*

*Budgetary Resources Obligated*

4. Less: Offsetting receipts (5900E)	60,000,000
5. Net obligations	60,000,000
11. Total resources used to finance activities	60,000,000

18. Total resources used to finance the net cost of operations (11-17)	60,000,000
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*Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:*

*Components not Requiring or Generating Resources:*

25. Depreciation and amortization (1613E, 1633E)	9,150,000
28. Total components of Net Cost of Operations that will not require or generate resources	9,150,000

29. Total components of net cost of operations that will not require or generate resources in the current period	9,150,000
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30. Net Cost of Operations (18+29)	69,150,000
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**Zero Coupon Bond Investments  
Part Two - Revolving Trust Funds**

**Part Two – Revolving Trust Fund**

The following scenario reflects investment activity for a revolving trust fund. The fund collects receipts that are available for investment but not obligation. If funds are available for obligation, use the appropriate SGL account in place of SGL 4398.

<p>Trial balance prior to investment.</p> <p>Revenue is classified as exchange</p> <p><b>Note:</b> This is not a beginning trial balance or an ending trial balance. It lists the balances prior to the investment.</p>	<p><u>Budgetary</u></p> <p>4267 Other Actual “governmental-type” Collections From Non-Federal Sources 60,000,000</p> <p>4398 Offsetting Collections Temporarily Precluded From Obligation 60,000,000</p> <p><u>Proprietary</u></p> <p>1010 Fund Balance with Treasury 60,000,000</p> <p>5900 Other Revenue 60,000,000</p>
<p>1. Invests in a Treasury zero coupon bond (non-marketable, market based). The par value is \$200,000,000 and the discount is \$180,000,000.</p> <p>TC B128</p>	<p><u>Budgetary</u></p> <p>None</p> <p><u>Proprietary</u></p> <p>1630 Investments in U.S. Treasury Zero Coupon Bonds Issued by the Bureau of the Public Debt 200,000,000</p> <p>1010 Fund Balance with Treasury 20,000,000</p> <p>1631 Discount on U.S. Treasury Zero Coupon Bonds Issued by the Bureau of the Public Debt 180,000,000</p>

## Zero Coupon Bond Investments Part Two - Revolving Trust Funds

<p>2. A Treasury note (non-marketable, market based) is purchased. The par value is \$9,000,000 and the discount is \$1,500,000.</p> <p>TC B128</p>	<p><u>Budgetary</u> None</p> <p><u>Proprietary</u> 1610 Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt 9,000,000 1010 Fund Balance with Treasury 7,500,000 1611 Discount on U.S. Treasury Securities Issued by the Bureau of the Public Debt 1,500,000</p>
<p>3. The discount on the zero coupon bond is amortized. SFFAS No. 1 requires agencies to use the interest method (paragraph 71). Amortization occurs monthly but for illustrative purpose it is recorded in one transaction.</p> <p>TC E11X</p>	<p><u>Budgetary</u> <b>4290 Amortization and Market Adjustment – Investments in Zero Coupon Bonds 9,000,000</b> 4398 Offsetting Collections Temporarily Precluded From Obligation 9,000,000</p> <p><u>Proprietary</u> 1633 Amortization of Discount U.S. Zero Coupon Bonds Issued by Public Debt 9,000,000 5311 Interest Revenue – Investments 9,000,000</p>
<p>4. The Treasury zero coupon bond is adjusted to \$25,000,000, the current market value based on information provided monthly from the Department of Treasury.</p> <p>TC F14X</p> <p><b>Note:</b></p>	<p><u>Budgetary</u> <b>4290 Amortization and Market Adjustment – investments in Zero Coupon Bonds 5,000,000</b> 4398 Offsetting Collections Temporarily Precluded From Obligation 5,000,000</p> <p><u>Proprietary</u> 1638 Market Adjustment – Investments in U.S. Treasury Zero Coupon Bonds 5,000,000 1639<sup>2</sup> Contra Market Adjustment - Investments in U.S. Treasury Zero Coupon Bonds 5,000,000</p>

<sup>2</sup> If the zero coupon bond is reported at market value on the balance sheet, SGL account 7180 Unrealized Gains – Investments may be used in place of SGL 1639 in transaction #3. If the market value decreases, use SGL 7280 Unrealized Losses – Investments.

**Zero Coupon Bond Investments  
Part Two - Revolving Trust Funds**

5. At year end the discount on the note is amortized. SFFAS No. 1 requires agencies to use the interest method (paragraph 71).	<u>Budgetary</u> None
TC E117	<u>Proprietary</u> 1613 Amortization of Discount and Premium on U.S. Treasury Securities Issued by the Bureau of the Public Debt      150,000 5311 Interest Revenue - Investments      150,000

**Zero Coupon Bond Investments  
Part Two - Revolving Trust Funds**

Pre closing adjusted trial balance	<u>Budgetary</u>		
	4267 Other Actual "governmental-type" Collections From Non-Federal Sources	\$60,000,000	
	<b>4290 Amortization and Market Adjustment – Investments in Zero Coupon Bonds</b>	<b>\$14,000,000</b>	
	4398 Offsetting Collections Temporarily Precluded From Obligation		\$74,000,000
		<u>\$74,000,000</u>	<u>\$74,000,000</u>
	<u>Proprietary</u>		
	1010 Fund Balance with Treasury	\$ 32,500,000	
	1610 Investments in U.S. Treasury Securities		
	Issued by the Bureau of the Public Debt	\$ 9,000,000	
	1611 Discount in U.S. Treasury Securities		
	Issued by the Bureau of the Public Debt		\$ 1,500,000
	1613 Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt	\$ 150,000	
	1630 Investments in U.S. Treasury Zero Coupon Bonds		
	Issued by the Bureau of the Public Debt	\$ 200,000,000	
	1631 Discount in U.S. Treasury Zero Coupon Bonds		
	Issued by the Bureau of the Public Debt		\$180,000,000
	1633 Amortization of Discount on U.S. Zero Coupon Bonds Issued by Public Debt	\$ 9,000,000	
	1638 Market Adjustment - Investments in Zero Coupon Bonds	\$ 5,000,000	
	1639 Contra Market Adjustment - Investments in Zero Coupon Bonds		\$ 5,000,000
	5311 Interest Revenue - Investments		\$ 9,150,000
	5900 Other Revenue		<u>\$ 60,000,000</u>
		<u>\$255,650,000</u>	<u>\$255,650,000</u>



**Zero Coupon Bond Investments**  
**Part Two - Revolving Trust Funds**

6. To record the consolidation of actual net-funded resources.  TC F302	<table> <tr> <td colspan="2"><u>Budgetary</u></td></tr> <tr> <td>4201 Total Actual Resources Collected</td><td>74,000,000</td></tr> <tr> <td>4267 Other Actual "governmental-type" Collections</td><td></td></tr> <tr> <td>    From Non-Federal Sources</td><td>60,000,000</td></tr> <tr> <td><b>4290 Amortization and Market Adjustment –</b></td><td></td></tr> <tr> <td><b>    Investments in Zero Coupon Bonds</b></td><td><b>14,000,000</b></td></tr> </table>	<u>Budgetary</u>		4201 Total Actual Resources Collected	74,000,000	4267 Other Actual "governmental-type" Collections		From Non-Federal Sources	60,000,000	<b>4290 Amortization and Market Adjustment –</b>		<b>    Investments in Zero Coupon Bonds</b>	<b>14,000,000</b>
<u>Budgetary</u>													
4201 Total Actual Resources Collected	74,000,000												
4267 Other Actual "governmental-type" Collections													
From Non-Federal Sources	60,000,000												
<b>4290 Amortization and Market Adjustment –</b>													
<b>    Investments in Zero Coupon Bonds</b>	<b>14,000,000</b>												
7. To record the closing of revenue to cumulative results of operations.  TC F336	<table> <tr> <td colspan="2"><u>Proprietary</u></td></tr> <tr> <td>5311 Interest Revenue - Investments</td><td>9,150,000</td></tr> <tr> <td>5900 Other Revenue</td><td>60,000,000</td></tr> <tr> <td>3310 Cumulative Results of Operations</td><td>69,150,000</td></tr> </table>	<u>Proprietary</u>		5311 Interest Revenue - Investments	9,150,000	5900 Other Revenue	60,000,000	3310 Cumulative Results of Operations	69,150,000				
<u>Proprietary</u>													
5311 Interest Revenue - Investments	9,150,000												
5900 Other Revenue	60,000,000												
3310 Cumulative Results of Operations	69,150,000												

**Zero Coupon Bond Investments  
Part Two - Revolving Trust Funds**

Post closing trial balance	<u>Budgetary</u>		
	4201 Total Actual Resources Collected	\$74,000,000	
	4394 Receipts Not Available for Obligation Upon Collection		<u>\$74,000,000</u>
		\$74,000,000	\$74,000,000
	<u>Proprietary</u>		
	1010 Fund Balance with Treasury	\$ 32,500,000	
	1610 Investments in U.S. Treasury Securities Issued by the Bureau of the Public Debt	\$ 9,000,000	
	1611 Discount in U.S. Treasury Securities Issued by the Bureau of the Public Debt		\$ 1,500,000
	1613 Amortization of Discount and Premium on U.S. Treasury Securities Issued by Public Debt	\$ 150,000	
	1630 Investments in U.S. Treasury Zero Coupon Bonds Issued by the Bureau of the Public Debt	\$ 200,000,000	
	1631 Discount in U.S. Treasury Zero Coupon Bonds Issued by the Bureau of the Public Debt		\$180,000,000
	1633 Amortization of Discount on U.S. Zero Coupon Bonds Issued by Public Debt	\$ 9,000,000	
	1638 Market Adjustment - Investments in Zero Coupon Bonds	\$ 5,000,000	
	1639 Contra Market Adjustment - Investments in Zero Coupon Bonds		\$ 5,000,000
	3310 Cumulative Results of Operations		<u>\$ 69,150,000</u>
		\$255,650,000	\$255,650,000

# **Zero Coupon Bond Investments Part Two - Revolving Trust Funds**

## **SF133 Report on Budget Execution and Budgetary Resources**

### **BUDGETARY RESOURCES**

3. Budget authority:	
D. Spending Authority from offsetting collections (gross):	
1. Earned:	
A. Collected (4267E, 4290E)	74,000,000
5. Temporarily not available pursuant to Public Law	
— (-)(4398E)	(74,000,000)
7. <u>Total budgetary resources</u>	<u>0</u>
<b>STATUS OF BUDGETARY RESOURCES</b>	
11. <u>Total status of budgetary resources</u>	<u>0</u>
<b>NET OUTLAYS</b>	
19. Net Outlays:	
B. Offsetting collections (-)(4267E, 4273E)	(74,000,000)

## **FMS 2108 Yearend Closing Statement Unexpended Balances Investments, and Imprest Funds**

Column 1. Treasury Appropriation Fund Symbol	89X5227	89X5227.971	89X5227.911	89X5227.931
Column 2. Preclosing Unexpended Balance - Treasury Supplied	32,500,000	209,000,000		
Column 5. Postclosing Unexpended Balance	32,500,000			
Column 6. For Treasury Appropriation Fund Symbols With Investments in Treasury Securities (1610E, 1630E)		209,000,000		
Column 6. For Treasury Appropriation Fund Symbols With Unrealized Discounts (1611E)			(1,500,000)	
Column 6. For Treasury Appropriation Fund Symbols With Unamortized Discounts or Premiums (1631E, 1633E, 1638E)				(166,000,000)
Column 11. Unobligated Balance (4398E)	74,000,000			

**Zero Coupon Bond Investments  
Part Two - Revolving Trust Funds**

**Budget Program and Financing (P&F) Schedule**

**NEW BUDGET AUTHORITY (GROSS), DETAIL**

**5800 Spending Authority from offsetting collections**

(cash)(+) (4267E 4290E) 14,000,000

5845 Portion precluded from obligation (limitation on obligations)(-) (4398) (14,000,000)

**OFFSETS**

Offsetting Collections from:

8820 Interest on Federal securities (-) (4290) (14,000,000)

8845 OFFSETTING GOVERNMENTAL COLLECTIONS (FROM NON-FEDERAL SOURCES) (-) (4267E) (60,000,000)

**NET BUDGET AUTHORITY AND OUTLAYS**

8900 Budget authority (net) (+) (sum 2200 - (8800..8845), 8895, 8896) (74,000,000)

9000 Outlays (net) (+) (sum (8690..8698) - (8840..8845))

**MEMORANDUM (NON-ADD) ENTRIES**

9202 Total investments, end of year: Federal securities: Par value (+) (1610E,1630E) 209,000,000

**Zero Coupon Bond Investments  
Part Two - Revolving Trust Funds**

**Balance Sheet**

Assets

Intragovernmental:

1. Fund balance with Treasury (1010E)	32,500,000
2. Investments (1610E, 1611E, 1613E, 1630E, 1631E, 1633E, 1638E, 1639E)	36,650,000
6. Total Intragovernmental	69,150,000
15. Total assets	69,150,000

Net position:

32. Cumulative results of operations - other funds	69,150,000
33. Total net position	69,150,000
34. Total liabilities and net position	69,150,000

**Net Cost**

Program Costs:

Program A:

2. Less: Earned Revenue (5311E, 5900E)	(69,150,000)
6. Net Cost of Operations	(69,150,000)

**Zero Coupon Bond Investments  
Part Two - Revolving Trust Funds**

**Change in Net Position**

	<b>Earmarked Funds</b>	<b>All Other Funds</b>
Cumulative Results Of Operations:		
Budgetary Financing Sources:		
6. Nonexchange Revenue (5311E, 5900E)		0
14. Total Financing Sources		0
15. Net Cost of Operations (+/-)		(69,150,000)
16. Net Change		(69,150,000)
17. Cumulative Results of Operations		(69,150,000)
27. Net Position		(69,150,000)

**Zero Coupon Bond Investments  
Part Two - Revolving Trust Funds**

**Statement of Financing**

*Resources Used to Finance Activities:*

*Budgetary Resources Obligated*

2. Less: Spending authority from offsetting collections and recoveries (4267E)	60,000,000
3. Obligations net of offsetting collections and recoveries	60,000,000
5. Net obligations (3-4)	60,000,000
11. Total resources used to finance activities (5+10)	60,000,000
18. Total resources used to finance the net cost of operations (11-17)	60,000,000

*Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:*

*Components not Requiring or Generating Resources:*

25. Depreciation and amortization (1613E, 1633E)	9,150,000
28. Total components of Net Cost of Operations that will not require or generate resources	9,150,000
29. Total components of net cost of operations that will not require or generate resources in the current period	9,150,000
30. Net Cost of Operations (18+29)	69,150,000